



MEMIC

Dear Policyholders,



We may quickly agree that team sports are the most popular sports across the world. That speaks to our natural attraction to the idea of people working together for a greater goal. Whatever we do in life, it's always more rewarding when a group of people work together to achieve their desired goal.

We work hard at MEMIC to provide the level of service and satisfaction you should expect from your workers' compensation carrier. Our mission is to treat each policyholder as though you are our only customer. Further, we want to treat injured workers like they are members of our own family. As employees, we share this vision and work as a team to accomplish these goals. It is an immutable truth at MEMIC that not one of us can lay claim to the success this company has achieved. But as a team, we have built this organization into a billion dollar company which has carried an "A" rating from A.M. Best from the start.

The year 2014 proved to be yet another where teamwork was the key ingredient for success. Growth continued with written premium up 15 percent across the group, and up nearly 30 percent in our targeted growth areas along the East Coast. Back in Maine, we paid a record dividend of \$18 million which also reflected our continuing effort to increase that dividend for the benefit of our mutual members. With more than 20,000 policyholders and coverage for 300,000 workers, our team fully understands the importance of working together to ensure that these results continue well into the future.

Our safety and loss control team appreciates the cooperation that our policyholders and their employees display in helping to minimize workplace accidents and resulting injuries. With onsite workplace visits, webinars, and safety blogs, our safety team works with you effectively in reducing injuries as evidenced by the 40 percent decrease in reported loss time injuries in Maine since 1993. Without your adherence to the principle of a safer workplace, none of this could have been achieved.

While we work toward an injury free environment, the reality is that our claim team continues to be an important element in our work. Whether it be the claim representative getting control of an unfortunate situation within

the first few critical hours, or our highly trained and well credentialed medical management teammates working with caregivers, it is the personal touch that makes the difference. We all know when someone really cares, and it is a success only when the pain and uncertainty of a workplace injury is resolved through a team working together to the satisfaction of our customer and their employee.

In the background are committed MEMIC employees taking care of audits, billing issues, training, marketing support, and other functions handled so well by our finance, human resources and communications departments. The technical expertise and talent of our information technology professionals enables us to continually upgrade our level of service while increasing productivity and lowering internal operating expenses.

All of these people work with our field underwriting force, who in turn work directly with you and your independent agent who brought you to MEMIC in the first place. Your independent agent is your best source of information for maximizing your relationship with our company and to contain your costs. As you can see, this is a process where we all need to work together, you the customer, your agent, and our company.

During a recent new employee orientation at MEMIC, I told the group that they are joining a well respected company. I informed them of our mission and how we work together to strengthen our company's culture. I also told them that they would soon understand the importance of the role they play on our team and that they will feel a sense of pride knowing that they work with a company that is "here for good." Employment at MEMIC is more than a job, more than a career; it is a feeling of pride!

To you our business partners and your employees, we will strive every day to achieve your respect and admiration because without you there wouldn't be a MEMIC. This is a message we will never forget!

Thank you,

A handwritten signature in black ink that reads "John T. Leonard". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

John T. Leonard, President and CEO



Dan Flaherty
Chief Financial Officer
The Olympia Companies, LLC

Greg LaRochelle
Safety Management Consultant
MEMIC

Harold Shorette
Chief Engineer, Hilton Garden Inn
The Olympia Companies, LLC

Steve Hansen
Executive Underwriter
MEMIC

Alison Briggs
Director of Human Resources
The Olympia Companies, LLC

Tracy Bissonnette
Compensation Specialist
MEMIC

Krissy Lavoie
Compensation Specialist
MEMIC

Service Excellence

MEMIC's mission to provide the best service starts at the top and flows through all levels of the company. Individually, we take pride in our work and have passion to always do better, but it is by working together that we find most success and that allows us to build true partnerships.

The Olympia Companies, LLC, a family-owned and operated real estate organization, is one of thousands of companies that benefit from MEMIC's team approach.

Working closely with MEMIC since 2002, The Olympia Companies has significantly improved its safety program and learned to better manage its workers' compensation program. We're proud of our partnership with The Olympia Companies.

"MEMIC has been a great partner in developing and managing our safety program. MEMIC supports us in the philosophy that we want our people to go home in the same or better condition than they came in."

Dan Flaherty | Chief Financial Officer | The Olympia Companies, LLC



The Olympia Companies, LLC comes to MEMIC through Crystal & Company, a three-generation family-owned insurance brokerage headquartered in New York City.

Underwriting Team

MEMIC's service excellence begins with finding companies and insurance agents who believe in what we do. Our underwriters bring decades of experience and are a key component of the trust our policyholders and agents have in MEMIC.

With offices in eight states and licenses to write workers' compensation across the U.S., we bring our unique and customized service to more than 20,000 employers and their 300,000 employees up and down the East Coast. Because our business model hasn't changed since the day we started, we stay focused and find ways to be better, year after year. We know what matters and we know where we can provide the best long-term value.

"It's refreshing to work with a company like MEMIC that understands the traditional values of resourcing a workers' compensation insurance partnership. We're very comfortable with MEMIC handling the workers' compensation insurance for our large national hospitality accounts."

Rob Johns, CPCU, ARM | Managing Director | Crystal & Company

"We like building long-lasting partnerships with our policyholders and find ways to effectively work together. Because of our own managed growth, we are able to keep good customers, like Olympia Companies, who expand into multiple states and I get to work with agents who believe in the value we bring to the table."

Steve Hansen | Executive Underwriter
MEMIC team member since 2003





"When Dan (the CFO of Olympia Companies) wanted to promote safety at the hotels, I joined him to attend safety meetings and conduct inspections at several properties. By spending all that time together, we built a rapport that has continued to add value to our partnership."

Greg LaRochelle | Safety Management Consultant
MEMIC team member since 2006

Loss Control & Safety Services Team

MEMIC's safety experts work face-to-face with employers to help them prevent injuries and have best practices in place when an injury does happen. They know safety but more importantly they have experience applying it in the industries they serve.

Through a consultative approach, we provide safety service specific to each and every policyholder and that makes a big difference. We become a real partner by helping them be more productive in their business through a focus on safety. And we're available wherever, whenever and for whatever our policyholders need.

"After inspecting our entire facility top-to-bottom, Greg worked with me to create an action plan for improvement and provided some training workshops for our staff. He's been excellent to work with. When somebody knows what they're talking about, you can tell, and people listen."

Harold Shorette | Chief Engineer, Hilton Garden Inn | The Olympia Companies, LLC

experience

Claims Management Team

MEMIC forms trusted relationships with policyholders by taking the time to help solve claim issues quickly and with the best possible outcomes. We keep case loads low so our compensation specialists can spend more time on all aspects of each claim. This means that the injured worker gets personal service throughout their claim.

When an injury happens, our claim team gets to work to help employees get back to work and back to life as it was before the injury. Our nurse case management team spends their days working with injured workers to help them get the medical care needed for a successful recovery. With MEMIC's arms-around approach we've earned our reputation as one of the best in the industry.

"Krissy and Tracy understand that we're an employer that cares about positive outcomes for our employees and they make me feel like I'm an important part of the process. They're willing to get in the trenches and work with me through the good, the bad and the ugly."

Alison Briggs | Director of Human Resources | The Olympia Companies, LLC



"Olympia Companies has locations in several states, so we work with Alison as a team to help resolve claim issues because we are experts in our jurisdictions. She can reach out to us at anytime with any question and get a quick, knowledgeable response. I think she finds a lot of comfort in having us as a resource."

Krissy Lavoie | Compensation Specialist | MEMIC team member since 2010

Tracy Bissonnette | Compensation Specialist | MEMIC team member since 2011

In thousands

20142013

Assets

Invested	\$ 927,645	\$ 870,544
Other	\$ 120,151	\$ 104,167
Total Assets	\$ 1,047,796	\$ 974,711

Liabilities

Loss and LAE Reserves	\$ 473,317	\$ 436,832
Other	\$ 174,621	\$ 160,996
Total Liabilities	\$ 647,938	\$ 597,828

Policyholders’ Surplus	\$ 399,858	\$ 376,883
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Key Statistics

Dividend	\$ 18,431	\$ 16,156
Direct Written Premium	\$ 265,692	\$ 230,044
Premium-to-Surplus Ratio, Direct	.66:1	.61:1
Premium-to-Surplus Ratio, Net	.66:1	.60:1
Number of Policyholders	20,408	19,847
Combined Ratio before Dividends	97.09%	100.02%
Operating Ratio	89.30%	91.68%

To view the complete 2014 annual report, visit memicannualreport.com.

“The year 2014 proved to be another where teamwork was the key ingredient for success.”

John Leonard | MEMIC President & CEO

Board of Directors

Standing:
Meredith Strang Burgess
M. Jane Sheehan (Chair)
John T. Leonard
David M. Labbe
Jolan F. Ippolito
Seated:
Lance A. Smith
S. Catherine Longley
Gregory W. Boulos
Katherine M. Greenleaf



Management Team

John T. Leonard President and Chief Executive Officer	Edward L. Austin, III President Atlantic Region	Gregory G. Jamison Senior Vice President Underwriting
Daniel J. McGarvey Chief Operating Officer	Michael P. Bourque Senior Vice President External Affairs	Catherine F. Lamson Senior Vice President and Chief Administrative Officer
	Jeffrey D. Funk President Northeast Region	Karl V. Siegfried Senior Vice President Loss Control & Safety Services
	Matthew H. Harmon Senior Vice President Claims	

Corporate Headquarters

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memic.com

Office Locations

Glastonbury, Connecticut
Tampa, Florida
Manchester, New Hampshire
Weehawken, New Jersey
Albany, New York
West Conshohocken, Pennsylvania
Tysons Corner, Virginia

*To view the complete 2014 Annual Report,
visit www.memicannualreport.com*

The MEMIC logo is displayed in a bold, white, sans-serif font. The letters are closely spaced, and the 'M' and 'I' have a distinctive design where the vertical strokes are slightly offset, giving it a modern, industrial feel. The logo is positioned in the bottom right corner of the page.